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2008-196-E

May 15, 2009

The Honorable Charles L.A. Terreni
Chief Clerk and Administrator
Public Service Commission of South Carolina
P. O. Drawer 11649
Columbia, SC 29211

RECEIVED
MAY 15 PM 1:03
S.C. PUBLIC SERVICE
COMMISSION

Re: Quarterly Report of SCE&G Concerning Construction of V.C. Summer Nuclear Station
Units 2 and 3

Dear Mr. Terreni:

Enclosed please find informational copies of SCE&G's Quarterly Report (the "Report") for the period ending March 31, 2009, related to the construction of V.C. Summer Nuclear Station Units 2 and 3.

This Report is being filed with the Office of Regulatory Staff of the State of South Carolina ("ORS") pursuant to the Base Load Review Act, S.C. Code Ann. § 58-33-277 (Cum. Supp. 2007) and the provisions of Order No. 2009-104A of the Public Service Commission of South Carolina (the "Commission").

For your convenience, we are providing you with ten copies of this Report. SCE&G is including public versions of Appendices 2, 3 and 4 as exhibits to this Report. SCE&G intends to file the confidential versions of these documents with the Commission and seek an appropriate protective order at such time as the Commission opens a new docket to consider a revised rates filing under S.C. Code Ann. §§ 58-33-280 and 285.

As provided in Order 2009-104A, SCE&G will schedule an annual briefing for the Commission concerning these reports at a future date and will ensure that this briefing complies with the *ex parte* rules under which the Commission operates. In addition, SCE&G anticipates making a revised rates filing in the near future which will result in an ORS audit of this Report and presentation of ORS's findings to the Commission.

Thank you for your attention to this matter.

Sincerely,


Belton T. Zeigler

Enclosures

Concentrating on public finance, governmental and utility representation.

V. C. Summer Nuclear Station Units 2 & 3

Quarterly Report to the South Carolina Office of Regulatory Staff Submitted by South Carolina Electric & Gas Company Pursuant to Public Service Commission Order No. 2009-104A

Quarter Ending March 31, 2009

I. Introduction and Summary

A. Introduction

This quarterly report is submitted by South Carolina Electric & Gas Company to the Public Service Commission of South Carolina and the South Carolina Office of Regulatory Staff. It is submitted in satisfaction of the requirements of S. C. Code Ann. § 58-33-277 (Supp. 2007) and the terms of Public Service Commission Order No. 2009-104A. The report provides updated information concerning the status of construction of V. C. Summer Nuclear Station Units 2 & 3 (the "Units") and updates the capital cost and construction schedules for the Units as approved in Order No. 2009-104A. Order No. 2009-104A is the base load review order related to the Units that was issued by the Public Service Commission of South Carolina (the "Commission") on February 27, 2009.

B. Structure of Report and Appendices

The current reporting period is the quarter ending March 31, 2009. The report is divided into the following sections:

- Section I: Introduction and Summary;
- Section II: Progress of Construction of the Units;
- Section III: Anticipated Construction Schedules;
- Section IV: Schedules of the Capital Costs Incurred Including Updates to the Information Required by S.C. Code Ann. § 58-33-270(B)(6) (the inflation indices);
- Section V: Updated Schedule of Anticipated Capital Costs; and
- Section VI: Conclusion.

Appendices 1, 2, 4, and 5 to this report contain detailed financial, schedule and other information updating the schedules approved by the Commission in Order No. 2009-104A. For reference purposes, **Appendix 3** provides a copy of the original capital cost schedule for the project without adjustments in the form approved in Order No. 2009-104A.

A confidential and a public version of this report and its attachments are being provided.

As indicated below, construction of Units 2 & 3 is proceeding in full compliance with the cost and schedule forecasts approved by the Commission, as updated.

C. . Construction Schedule and Milestones

As the report indicates, the Company has met all current milestones approved by the Commission in Order No. 2009-104A for the project, as adjusted pursuant to the construction schedule contingencies authorized in that order. As discussed below, the Commission-approved milestones are being tracked as 146 separate items. Of these, 28 have been completed as of March 31, 2009.

As discussed below, the milestones for the project have been adjusted to reflect the Performance Measurement Baseline Schedule. Pursuant to the engineering, procurement, and construction agreement for the Units (the "EPC Contract"), Westinghouse Electric Company, LLC and Stone & Webster (the "Consortium") provided this schedule to SCE&G on April 1, 2009. The Performance Measurement Baseline Schedule is the integrated engineering, procurement and construction schedule for the project and, as expected, represents a major refinement of the schedule that was provided in May of 2008 as an attachment to the EPC Contract. The milestone dates contained in the Performance Measurement Baseline Schedule are fully consistent with the guaranteed Substantial Completion dates for the Units of April 1, 2016 and January 1, 2019 and with the milestones and milestone contingencies approved in Order No. 2009-104A.

D. Construction Costs and Cost Forecasts

As this report indicates, the Company is on track to complete the Units at the construction cost forecast of \$4.5 billion in 2007 dollars, net of Allowance for Funds Used During Construction ("AFUDC"), as approved in Order No. 2009-104A.

In Order No. 2009-104A, the Commission allowed forecasts of AFUDC expense and escalation to vary and required them to be updated with each quarterly report. As stated above, the project remains on track to meet the \$4.5 billion construction cost forecast in 2007 dollars. However, as the following chart shows, the forecasted gross construction costs for the project has increased due to increases in AFUDC expense and increases in the escalation expense.

Chart A: Reconciliation of Capital Cost (\$000)

<u>Forecast Item</u>	<u>Projected 3/31/09 @ Five-Year Average Escalation Rates</u>	<u>As Approved Order 2009- 104A</u>	<u>Change</u>
Gross Construction	\$6,875,315	\$6,313,376	\$561,939
Less: AFUDC	\$315,739	\$264,289	\$51,450
Total Project Cash Flow	\$6,559,576	\$6,049,087	\$510,489
Less: Escalation	\$2,024,829	\$1,514,340	\$510,489
Capital Cost, 2007 Dollars	\$4,534,747	\$4,534,747	\$-0-

As is discussed in more detail below, this increase in the gross construction cost forecast is principally related to high rates of escalation that are reflected in the historical five-year indices that are used to forecast future escalation and to forecast AFUDC expense. The current five-five year escalation rates capture the height of the inflationary pressure on construction costs and materials during the global commodities crunch of 2002-2008 and have yet to reflect fully the return of inflation rates to more normal levels since mid-2008. For comparison purposes, the following chart shows the gross construction forecast for the project using historical ten-year escalation averages instead of five-year averages. Using the ten-year escalation averages, the gross construction cost forecast would have fallen below the 2008 forecast reflect in Order No. 2009-104A by \$153 million.

Chart B: Reconciliation of Capital Cost (\$000)

<u>Forecast Item</u>	<u>Projected @ 3/31/2009 (Ten-Year Average Rates)</u>	<u>As Forecasted Or Approved In Order 2009- 104A</u>	<u>Change</u>
Gross Construction	\$6,160,738	\$6,313,376	(\$152,638)
Less: AFUDC	\$283,974	\$264,289	\$19,685
Total Project Cash Flow	\$5,876,764	\$6,049,087	(\$172,323)
Less: Escalation	\$1,342,017	\$1,514,340	(\$172,323)
Capital Cost, 2007 Dollars	\$4,534,747	\$4,534,747	\$0

The escalation and AFUDC rates and their effects on project costs are discussed more fully below. As discussed there, similar reductions in gross construction cost forecasts would result from recalculating construction cost forecasts using one-year escalation rates.

E. Escalation Rates

Escalation accounts for a \$510 million increase in total project cash flows in the current projection. There are two components to this escalation increase. The Performance Measurement Baseline Schedule and related changes in owner's costs and other items have shifted the schedule of forecasted project cash flow forward. This change in the timing of capital costs has resulted in an increase in overall escalation for the project. Changes in the forecasted timing of capital costs are responsible for \$118 million of the additional \$510 escalation reported above.

The remaining change in escalation, \$392 million, relates to changes in the applicable escalation rates. Under Order No. 2009-104A, escalation for construction costs is computed using historical one-year and five-year escalation rates. As provided in that order, the five-year escalation rate applies to all costs beyond the upcoming twelve months. At this stage of the project, five-year average escalation rates apply to slightly more than 85% of the base construction costs which are subject to indexed escalation. For that reason, the calculation of escalated project costs is particularly sensitive to the five-year escalation rate.

As shown on **Appendix 5**, utility construction costs were at historically high levels during the period 2005-2008, and have since dropped substantially. However, the current five-year averages do not fully reflect the flattening of future escalation rates which has occurred during the last year.

Chart C: Handy-Whitman Escalation Rates

<u>January 2009 Update</u>	
	Escalation Rate
<u>HW All Steam Index:</u>	
One year rate	4.8%
Five Year Average	7.2%
Ten Year Average	4.9%
<u>HW All Steam/Nuclear Index:</u>	
One year rate	4.8%
Five Year Average	7.2%
Ten Year Average	4.9%
<u>HW All Transmission Plant Index</u>	
One year rate	7.4%
Five Year Average	8.6%
Ten Year Average	5.5%

The Company does not believe that the current five-year projections reflect current inflation expectations. If the cost projections in this report were made using either one-year escalation rates or the ten-year escalation rates in place of five-year rates, the total project cash flow, net of AFUDC, would be less than the \$6.0 billion forecast reflected in Order No. 2009-104A. Using the one-year rates the total project cash flow, net of AFUDC, would be \$97 million less than forecasted in Order No. 2009-104A, and using the ten-year rates it would be \$172 million less.

Chart D: Reconciliation of Capital Cost (\$000)

<u>Forecast Item</u>	<u>As Forecasted Or Approved In Order 2009- 104A</u>	<u>Projected 3/31/09 @ Five- Year Average Escalation Rates</u>	<u>Recomputed Using One-Year Average Escalation Rates</u>	<u>Recomputed Using Ten-Year Average Escalation Rates</u>
Capital Cost, 2007 Dollars	\$4,534,747	\$4,534,747	\$4,534,747	\$4,534,747
Plus: Escalation	\$1,514,340	2,024,829	\$1,147,218	\$1,342,017
Total Project Cash Flow	\$6,049,087	\$6,559,576	\$5,951,965	\$5,876,764
<u>Change from Total Project Cash Flow as Forecasted in Order 2009-104A</u>	N/A	\$510,489	(\$97,122)	(\$172,323)

F. Increased AFUDC Expense

The projected increase in AFUDC expense for the project is \$51 million. Consistent with Order No. 2009-104A, SCE&G computes AFUDC based on the Construction Work in Progress that is outstanding between rate adjustments. The increase in project cash flow due to escalation has resulted in \$29 million of the \$51 million increase in forecasted AFUDC. In addition, SCE&G's AFUDC rate is currently 8.08% compared to 5.52% in May of 2008. This rate is forecasted to drop to 5.87% as capital markets recover and SCE&G is able to issue commercial paper to meet its short-term cash needs. However, increases in the AFUDC rates have resulted in \$22 million of the \$51 million forecasted increase in AFUDC rates.

G. Contingency Usage and Availability

As the summary table below indicates, none of the total project contingency of \$438,293,000 has been expended to date. One hundred percent of the contingency remains available for use in future periods.

Chart E: Contingency Usage in 2007 Dollars (\$000)

<u>Item</u>	<u>As of</u> <u>03/31/2009</u>	<u>As Approved</u> <u>Order 2009-104A</u>	<u>Change</u>
Total Project Contingency	\$438,293	\$438,293	\$ 0
Cumulative Contingency to Date (Col. 1: Actual; Col. 2: Approved)	\$-0-	\$9,968	(\$9,968)
Project Contingency Remaining	\$438,293	\$428,325	\$9,968
Percent of Project Contingency Remaining	100%	97.8%	2.2%

As shown in more detail on **Exhibit 4, Chart C**, and as discussed below, SCE&G currently forecasts that as of 2018 it will have used a cumulative total of \$118 million of the \$438 million contingency fund to cover the increased escalation costs associated with project schedule changes.

H. Compliance with the Commission Approved Cumulative Project Cash Flow Target

Order No. 2009-104A established the Cumulative Project Cash Flow, listed on Exhibit F to the Combined Application, as the target for measuring the compliance of the project with the cost-related terms of that order. Order No. 2009-104A provided that this Cumulative Project Cash Flow target would be adjusted with each quarterly report to reflect updated escalation data and any use by the Company of the cost-related contingencies that the Commission approved in Order No. 2009-104A.

Appendix 4, Chart A provides the Cumulative Project Cash Flow target updated for current escalation data as of March 31, 2009 and the current cumulative cash flow schedules for the project. **Appendix 4, Chart B** compares the approved Cumulative Project Cash Flow target to the current cumulative cash flow schedules for the project,

which include actual costs where available and SCE&G's working forecasts of annual cash flows for future years. As shown on **Appendix 4, Chart B**, until the year 2015 the projected cash flow in each year of the construction schedule is less than or equal to the Cumulative Project Cash flow approved by the Commission in Order No. 2009-104A. In 2015, for timing reasons, the forecast indicates that the cumulative cash flow will exceed the approved target by \$36 million. For similar reasons, the cash flow, on a cumulative basis, before the use of contingency funds, is forecasted to exceed the target by \$207 million in 2016, and \$147 million in 2017 and \$118 million in 2018. However, the forecast also indicates that the Company will apply \$36 million in contingency funds in 2015 and \$172 million of contingency funds in 2016 to offset the full amount of these overages. SCE&G forecasts that it will have funds sufficient to restore \$60 million to the contingency in 2017 and \$29 million in 2018. After doing so, the Company forecasts that it will have \$320 million in uncommitted contingency funds remaining at the end of construction. Available contingency is not forecasted to drop below \$169 million at any time during the period 2014-2018. Accordingly, the analysis presented here shows that the project is in compliance both currently and prospectively with the terms of Order No. 2009-104A.

Furthermore, the timing differences contained in the current forecast are the result of the new construction schedule provided by the Consortium immediately after the close of the reporting period. SCE&G is preparing the necessary documentation to record adjustments to capital cost targets using the capital costs rescheduling contingency provisions approved by the Commission in Order No. 2009-104A. Use of these contingency provisions should eliminate a substantial part of the reported overages. Any rescheduling of these costs will be presented in future filings.

II. Progress of Construction of the Units

Construction of the Project is progressing on schedule to meet the Unit 2 & 3 Substantial Completion dates of April 1, 2016 and January 1, 2019 respectively. A summary of the status of the Project is addressed in Section II.A-Section II.H below.

A. Licensing and Permitting Update

1. The Combined Operating License Application (COLA)

The COLA review process continues on schedule for the Nuclear Regulatory Commission (NRC) to issue a Combined Operating License (COL) for the Units no later than July 1, 2011. Issuance of a COL by that date will allow nuclear safety related construction to begin on the Units on a schedule that supports the Substantial Completion dates set forth above. The status of the major COLA review areas is as follows:

a) Nuclear Safety Review

1) The Staff of the NRC is proceeding with its Phase 1 review of the Safety Evaluation Report (SER) for the Units. SCE&G, Bechtel Corp (which is SCE&G's consulting engineer for the COLA), and the Consortium are reviewing a number of Requests for Additional Information (RAIs) from the NRC Staff related to that review. The Company has been working with Bechtel specifically to ensure that Bechtel provides timely and thorough responses to these RAIs as they are issued by the NRC Staff. Bechtel has assured SCE&G that it is devoting the personnel and resources to this matter that are required to provide the required responses in a complete and timely fashion. All RAI activities are on schedule and no issues of concern have been identified based on the RAIs received to date.

2) The NRC Staff conducted a geotechnical/seismic audit at the Site during the week of March 30. This audit was deemed successful and no areas of concern related to geotechnical or seismic issues were identified.

3) The NRC is in the process of completing the SER for the Westinghouse (WEC) Design Control Document (DCD) Revision 17 and has identified several issues relating to engineering items. These issues include concerns related to certain aspects of the design of Category I structures, certain high frequency seismicity issues, and certain issues related to the Shield Building design method. SCE&G has expressed to WEC its absolute expectation that these matters be dealt with in a timely way that does not result in delays in the issuance of a COL for the Units. On April 3, 2009, the NRC issued a letter on the DCD Revision 17 review and approval schedule. The current NRC schedule shows a December 2010 final SER with an August 2011 final rule making. This final rule making is a prerequisite for the COLA approval and does not support the COLA approval date of July 2011 by several months. WEC is working to develop alternatives to assist in accelerating the review schedule or to minimize the impact to the project schedule. SCE&G is closely monitoring the DCD Revision 17 review process because of its potential impact on the schedule for the review and approval of the COLA for the Units. SCE&G has identified the status of the review and approval of DCD 17 as a focus area for on-going monitoring and attention to ensure that WEC does what is required to obtain the necessary approvals on a timely basis.

b) Environmental Review

The NRC held public meetings related to its environmental review of the project on the evening of January 27th at Fairfield Central High School in Winnsboro and on the evenings of January 28th and March 28th at McCrorey-Liston Elementary School in Blair. The NRC also conducted a Site audit during the week of March 9 as part of the Phase I scoping for the Environmental Impact Study. The NRC plans to complete the Phase I scoping of the Environmental Impact Study for the Units in June, 2009.

c) Legal Review

Several parties sought to intervene to raise issues before the Atomic Safety Licensing Board (ASLB) in its consideration of the COLA for the Units. As required by ASLB practice, these potential intervenors were required to list specific contentions that they would raise in opposition to the COLA. On February 18, 2009, the ASLB dismissed all contentions by these intervenors as being without merit, and dismissed their petitions for intervention. This action by the ASLB precluded the necessity of the ASLB prehearing that was originally scheduled for February, 2009. The intervenors have appealed the ASLB decision.

2. Other Permits

a) South Carolina Department of Health and Environmental Control (SCDHEC) issued the Storm Water Pollution Prevention Permit (SWPPP) Phase 1 (Notice of Intent), Phase 2A (Railroad Corridor) and Phase 2B (grading in Construction City and the Spoils Area). Work continues on the preparation of the additional SWPPP packages for future stages of construction. SWPPP permitting is proceeding in a timely and satisfactory manner.

b) SCE&G is working with the Army Corps of Engineers (ACOE) to obtain the ACOE 404 (wetlands) permit to allow grading in an area subject to Corps jurisdiction that is located in the area where the Cooling Towers for the Units are planned to be built. The area in question is a small length of intermittent stream bank. The approach that the ACOE is taking to its review and permitting process could delay the issuance of the required permit beyond the date that the permit is required to proceed with the construction schedule. In response, SCE&G and the Consortium are formulating a plan to reconfigure part of the site plan to avoid the need to impact this relatively small area of stream bank. There are no technical impediments to such a plan and the cost of this alternative approach

is well within applicable contingencies. This issue is a focus area for future oversight and review to ensure that issues related to ACOE permitting do not result in a delay in construction.

B. Engineering Update

1. Engineering Completion Status

a) The Engineering Completion Status based on the completion percentage for major plant categories is as follows:

- 1) Standard Plant Design – 72% complete
- 2) Site Specific Design – 23% complete
- 3) Total Design (procurement and construction planning)– 67% complete

b) The Engineering Completion Status as reported above reflects only the work necessary to bring the design outputs to a point where they are sufficient to support procurement and construction planning. By the end of 2009, SCE&G and the Consortium will add a new element to the engineering status report to measure the degree to which the design outputs are ready for field construction. This change will reflect an expansion in the scope of the engineering work being measured and will result in the Total Design completion percentage being less than that which is reported here. This change in reporting of design status is expected to be reflected in reporting on the project no later than the Quarterly report for the twelve months ending December 31, 2009. This change will not adversely impact the Engineering schedule or the substantial completion schedule for the Units.

c) In addition, on April 1, 2009, the Consortium provided SCE&G with a Performance Measurement Baseline Schedule (PMB) for the Units, which represents an expanded and refined version of the construction and engineering schedule that was operative through March 31, 2009. This new scheduling information is included in the milestone reports contained in this quarterly report. This expanded and refined schedule information supports the completion of the Units by the Substantial Completion dates, and all milestones are within the parameters of Commission Order No. 2009-104A.

2. Standard Plant Design Activities

During the reporting period, the following standard plant design activities were conducted:

- a)** WEC completed the Final Design Review for the Control Rod Drive Mechanism (CRDM) for the Units. WEC is in the process of performing the CRDM Latch Assembly life test to verify the strength and reliability of the assembly. Four (4) million steps were completed as of the end of March with a goal to complete nine (9) million steps in total. Steps are incremental movements of the control rods using the mechanism.
- b)** The Squib Valve prototype for the Units is being tested. All tests to date have been successful. These valves are part of the reactor core cooling system and operate to direct coolant to the core in the event of a loss of coolant accident. They are activated by explosive caps to eliminate the need for motors and drives.
- c)** Drawing packages were completed for:
 - i.** The R251 module, which is a composite module for the Demineralizer in the Auxiliary Building;
 - ii.** The CH21-25 modules, which are the floor modules for electrical equipment in the Auxiliary Building; and
 - iii.** The CH31-35 modules, which are the floor modules for Instrument & Control equipment in the Auxiliary Building.
- d)** WEC is conducting a three-dimensional model review to confirm the sizes and locations of the seventy-nine (79) penetrations in the CA01 module. The CA01 module is the concrete-filled-in-place structural module for the Steam Generator compartments and the Refueling Canal. This review will support the module fabrication for the project to construct multiple AP1000 units in China. This activity along with other Engineering/Construction activities supporting the China project will benefit the WEC USA projects.
- e)** A design and construction interface review was performed for the Shield Building Design. The design-construction interface review is a review of the design with fabricators and contractors to ensure practicality of fabrication and construction and to ensure that requirements for fabrication and construction are clearly communicated.
- f)** A Reactor Coolant loop geometry and manufacturing review was successfully held to critique the manufacturing process for the hot-legs, cold-legs and surge line of the Reactor Coolant loop. The

geometry and manufacturing review includes testing to ensure that configuration and materials of the Reactor Coolant loop piping are compatible with the manufacturing processes.

g) WEC plans to issue a Design Control Package (DCP) to the NRC to show an increase in the length of the footprint of the Turbine Building by approximately twelve (12) feet. This increase will allow additional space for Turbine Building equipment. This revision may impact the DCD, COLA and Site Layout but is not expected to raise significant engineering or other issues or to adversely impact the Project schedule. This is a focus area for SCE&G's oversight of the Consortium's work in order to ensure that the design and construction of the Turbine Building, equipment and supporting systems remains on schedule.

3. Site Specific Design Activities

a) Shaw Engineering is performing Site Specific Design to support the Site excavation and grading work. Geotechnical evaluations continue, as well as the design work in support of the permit applications. This work is proceeding in an efficient and satisfactory manner.

b) Site Specific Design is in progress for Site Specific Systems, to include the Potable Water System, the Raw Water System, the Yard Fire Water System, the Power System for Construction City and the Switchyard. This work is proceeding in an efficient and satisfactory manner.

C. Procurement/Fabrication Update

1. WEC placed a Purchase Order (PO) for the Turbine/Generator with Toshiba and a PO for the Squib Valves with SPX Copes Vulcan.
2. Mangiarotti, a subcontractor of WEC, issued POs for long lead materials for the Accumulator Tank, the Core Make-Up Tank, the Pressurizer and the Passive Residual Heat Exchanger.
3. NND Engineering representatives from SCE&G visited the Toshiba and Doosan manufacturing facilities in Japan and South Korea during the week of February 9. The visit included kick-off meetings with Doosan for the Reactor Vessel and Steam Generator manufacturing and with Toshiba for the Steam Turbine/Generator manufacturing.
4. Site Specific procurement activities included award of subcontracts to Hinkle for the Railroad Installation; to MC Dean for the Offsite Retail Power System (Construction City); the issuance of a Letter of

Inquiry to Hansen Pressure Pipe for the Circulating Water Pipe and Fittings; and the issuance of Request for Quotations (RFQs) for the Switchyard and Mayo Creek Bridge.

5. Shaw Modular Solutions is developing its module manufacturing facility, programs and schedule. Shaw Modular Solutions plans to begin module fabrication at its new manufacturing facility later in 2009.
6. NND is in the process of reviewing the Quality Plans for the Reactor Vessel and Steam Generator for the purpose of adding Owner Witness and Hold Points. The manufacturing of this equipment is scheduled to begin the 2nd quarter of 2009.

Picture 1 – Construction Access Looking North



D. Construction Update

1. The initial Site development work has commenced to include installation of the Construction Access Road (essentially complete), Sediment Basins and other erosion control measures (essentially complete along the Construction Access Road), Laydown Area 1, the Railroad Corridor (essentially ready for railroad ballast and rail installation) and the reconfiguration of the SC Highway 213 and Parr Road intersection (just begun). The Consortium subcontractors Morgan Corporation and Saiia Construction are performing this work.

Picture 2 – Construction Access Road and Railroad Corridor



2. Jenkinsville Water Company's contractor, C.B.G., Inc., started trenching and installation of water piping activities for the Potable Water System supply to Construction City and is approximately 30% complete with this activity.
3. Shaw continues finalization of the technical and commercial reviews to support the Heavy Lift Crane selection and Nuclear Island excavation plan. Close attention is being directed to this activity by the Consortium and SCE&G management to ensure that selection and procurement of the crane and design and construction of its footings do not delay the project's construction schedule. Because of potential impacts of the crane's availability on the construction schedule, this is a focus area for continuing oversight of the Consortium's work.
4. The Consortium finalized and submitted to SCE&G the Performance Measurement Baseline Schedule (PMB) on April 1, 2009 and the payment milestones associated with this schedule on April 15, 2009.

Instructors referenced in Section II.E.1 above. The cost of this Change Order will be taken out of the Time & Material Work Allowances given in Exhibit H of the EPC Contract.

2. EPC Contract Amendment #1 is being processed to revise the language in several areas of the EPC Contract. These revisions represent updates to the EPC Contract, such as contract language clarifications in the sections relating to Changes in the Work and Taxes, changes made to the Major Equipment Supplier and Contractor exhibits and changes in the milestone payment schedules due to the PMB Schedule received on April 1, 2009.

III. Anticipated Construction Schedules

As of the end of the first quarter of 2009, the Company and its contractors had completed all required milestones as set forth in Exhibit E to the Combined Application as adjusted pursuant to the milestone schedule contingencies approved by the Commission in Order No. 2009-104A. Each of those adjustments is itemized in the Milestone Update section that follows. The Company and its contractors are presently on schedule to complete all future milestones as specified or within approved contingencies. Accordingly, the project is in compliance with the construction schedules approved by the Commission in Order No. 2009-104A and with the provisions of S.C. Code Ann. § 58-33-275(A)(1).

To allow milestones to be tracked more consistently to the construction schedule, SCE&G has subdivided certain of the milestones approved in Order No. 2009-104A into several discrete items. The 123 milestones approved in that order are now being tracked as 146 milestones. No milestones have been omitted, and in each case, where a milestone was divided, the resulting milestones bear a due date no later than the due date of the milestone from which they were derived.

A. Construction Schedule Update

The Project Licensing and Permitting, Engineering, Procurement and Construction work remains on schedule to meet the Units 2 & 3 Substantial Completion dates. Rescheduling of the milestones listed in Exhibit E to the Combined Application is addressed in Section III.B herein. The rescheduling of these milestones is within the approved contingencies and has no adverse impact on the Units' Substantial Completion dates.

B. Performance Measurement Baseline Schedule

On April 1, 2009, the Consortium provided SCE&G with the Performance Measurement Baseline Schedule for the project under the EPC Contract. The Performance Measurement Baseline Schedule is the integrated engineering, procurement and construction schedule for the project and represents a major refinement of the schedule that was provided as an attachment to the EPC Contract in May of 2008.

Of the 146 total milestones, 28 have been completed, 44 have been accelerated, 41 have been pushed out into the future, and 33 are unchanged, .

The Performance Measurement Baseline Schedule is the product of thousands of hours of construction planning and scheduling work by Consortium personnel since the EPC Contract was signed on May 23, 2008. The schedule also reflects a firming up of the vendor and supplier chain for the project and the negotiation of multiple supply agreements and delivery schedules with vendors and fabricators.

Where the Performance Measurement Baseline Schedule has pushed out the due dates for certain milestones, these later deadlines reflect the fact that greater certainty in the schedule allows for more precise scheduling of the dates by which major pieces of equipment will be required to be available on site. The revised deadlines also reflect the fact that a more fully-developed schedule allows more precise scheduling of the dates by which specific on-site construction activities will need to be completed. The project team has added additional certainty and detail to the construction schedule since the EPC Contract was signed on May 23, 2008 and revised milestones are possible for that reason.

Like the schedules contained in the EPC Contract, the new Performance Measurement Baseline Schedule fully supports the Substantial Completion dates for Units 2 and 3 of April 1, 2016 and January 1, 2019, respectively. The updated milestones dates based on the Performance Measurement Baseline Schedule are entirely consistent with the project milestones and contingencies adopted by the Commission in Order No. 2009-104A. The Substantial Completion dates remain as approved in Order No. 2009-104A. As discussed above, the Consortium and SCE&G remain fully committed to completing the Units on the dates promised and the Performance Measurement Baseline Schedule is an important tool for ensuring that this is done.

C. Milestone Update

1. Attached as **Appendix 1** to this quarterly report are two spreadsheets that list and update each of the specific milestones contained in Exhibit E to the Combined Application and adopted by the Commission as the anticipated construction schedule for the Units pursuant to S.C. Code Ann. § 58-33-270(B)(1). The BLRA Milestone Tracking Sheet (**Appendix 1, Chart A**) provides the original milestone date and language, the revised milestone date and language, and the impact on the BLRA schedule contingency and Substantial Completion dates for Units 2 and 3. The BLRA Milestone Tracking Summary (**Appendix 1, Chart B**) highlights the milestones that have been moved from the originally targeted date and gives an explanation for this movement.
2. Exhibit E of the Combined Application contained the original list of milestones as approved by the Commission. It included a total of 123 milestones. As discussed above, several of these milestones have been revised into multiple milestones to reflect the way in which contracts negotiated with equipment suppliers subsequent to the Combined Application submittal were structured and included in the construction schedule for the project. The revised milestone total is 146. As shown on the BLRA Tracking Summary, a number of the milestones have moved out in time primarily to reflect the new schedule contained in the Performance Measurement Baseline Schedule received on April 1, 2009. All resulting milestones adjustments are within the scope of the milestone schedule contingency authorized by the Commission in Order No. 2009-104A. The milestone adjustments do not adversely affect the Substantial Completion dates for Units 2 and 3.

IV. Schedules of the Capital Costs Incurred Including Updates to the Information Required by S.C. Code Ann. § 58-33-270(B)(6) (The Inflation Indices)

The Capital Cost Update section of this report provides an update of the cumulative capital costs incurred and forecasted to be incurred as compared to the cumulative capital cost targets approved by the Commission in Order No. 2009-104A. The approved capital cost targets have been adjusted to reflect the escalation rate changes, and any use by the Company of the cost and timing contingencies that were approved by the Commission in Order No. 2009-104A. The Inflation Adjustments and Indices section of this report provides updated information on inflation indices and the changes in them.

A. Capital Costs Update

When adjusted for inflation, the year-end 2009 Cumulative Project Cash Flow as approved in Order No. 2009-104A was \$663 million. During calendar year 2009, SCE&G anticipates incurring capital costs for the project amounting to \$389 million. This amount reflects actual expenditures to date and forecasted expenditures for the balance of 2009 based on the milestone and construction schedule. This anticipated capital cost of \$389 million for 2009 provides for the expenditure of \$38 million in contingency funds if necessary, but none of these contingency funds has been expended or committed to be spent to date. As a result, if the actual expenditures track the current forecast, \$38 million in contingency funds will be available for use in 2010 or beyond.

The anticipated expenditure of \$389 million for the project in 2009 would result in a year-end 2009 cumulative project cash flow, exclusive of AFUDC, of \$512 million. This amount is \$151 million less than the Cumulative Project Cash Flow approved by the Commission for year-end 2009 as adjusted for inflation. This \$151 million reduction in anticipated 2009 project expense represents timing differences and not changes in underlying costs. The Company forecasts that the capital costs in question will be incurred in future periods under the current construction schedule.

Chart A of Appendix 4 shows the Cumulative Project Cash Flow target as approved in Order No. 2009-104A and as updated for escalation and other Commission approved adjustments under the heading “**Per Order 2009-104A Adjusted.**” As shown there, SCE&G has carried forward into 2009 \$10 million in unused contingency funds from 2008 as permitted by the Commission in Order No. 2009-104A. SCE&G has not used the capital cost schedule contingencies to make any adjustments to the approved Cumulative Project Cash Flow as set forth in this filing because the project conforms to approved project cost targets without such adjustments. Nonetheless, SCE&G does not intend to waive or in any way limit its right, as authorized by the Commission, to make appropriate capital cost contingency adjustments associated with current or future changes in cost scheduling. SCE&G may make capital cost contingency adjustments related to recent changes in its scheduling of capital costs in future filings.

Under the heading “**Actual Through March, 2009, plus Projected,** **Appendix 4, Chart A,** shows the cumulative cash flow for the project based on actual expenditures to date and the Company’s current forecast of cost and construction schedule” A comparison of the two sets of data is presented at **Appendix 4, Chart B.** This chart shows that the cumulative capital cost for the project is forecasted to be below the approved Cumulative Project Cash Flow target, as revised, during the years 2009-2014. The forecasted cash flow, on a cumulative basis, is anticipated to exceed the approved target level by \$36 million in 2015, and \$207 million in 2016, \$147 million in 2017, and \$118 million in 2018. These overages are calculated before the application of contingency funds and are due to the timing of capital expenditures as currently

forecasted, not increases in underlying costs. As shown on **Appendix 4, Chart C**, SCE&G forecasts using \$36 million in contingency funds in 2015 and \$172 million of contingency funds in 2016 to offset these overages. SCE&G forecasts that it will have more than adequate contingency funds in these years to absorb the full amount of the overages and will retain substantial contingency funds for other uses. In addition, SCE&G forecasts that it will have budget surpluses sufficient to restore \$60 million to the contingency in 2017 and \$29 million in 2018. As a result, SCE&G forecasts that it will have \$320 million in uncommitted contingency funds at the end of the project.

The information presented in **Appendix 4** establishes that the anticipated cumulative project cash flow for the period ending December 31, 2009 is in conformity with the schedule approved by the Commission in Order No. 2009-104A and with the provisions of S.C. Code Ann. § 58-33-275(A)(1). It also establishes that the Company's best forecasts of future project costs are fully consistent with the Cumulative Project Cash Flows approved by the Commission in Order No. 2009-104A.

The following exhibits support this section:

Appendix 2 updates the original Exhibit F to the Combined Application to show the Company's actual and forecasted expenditures on the project by plant cost category. In updating its cost projections, the Company has used the Commission-approved inflation indices as updated since Exhibit F to the Combined Application was originally prepared and its current cost and schedule information. In addition, **Appendix 2** shows the cumulative Construction Work in Progress for the project and the balance of Construction Work in Progress that is not yet reflected in revised rates.

For comparison purposes, **Appendix 3** provides an original version of Exhibit F to the Combined Application. This version of Exhibit F does not include any adjustments for changes in inflation indices or adjustments in capital cost schedules made by the Company.

As discussed above, **Appendix 4, Chart A** provides the adjusted Cumulative Cash Flow target and the current actual and forecasted cash flow for the project. **Appendix 4, Chart B** compares the adjusted Cumulative Cash Flow target to the Company's actual and forecast costs for the project. **Appendix 4, Chart C** provides detailing concerning the cumulative pool of contingency funds and use of those funds year by year.

B. Inflation Indices Update

Appendix 5 shows the changes in the inflation indices approved in Order No. 2009-104A. Included is a ten-year history of the Handy Whitman All Steam Index, South Atlantic Region; the Handy Whitman All Steam and Nuclear Index, South Atlantic Region; Handy Whitman All Transmission Plant Index, South Atlantic Region; and the Chained GDP Index. The changes in these indices and the escalation-related effects of cost rescheduling resulted in an increase in the projected cost of the Units in future dollars from \$6,313,376,000 as forecast in Order No. 2009-104A to a forecast of \$6,875,316,000 using current inflation data and current AFUDC rates. The \$4.5 billion forecast of the cost of the Units in 2007 dollars, net of AFUDC, remains unchanged.

V. Updated Schedule of Anticipated Capital Costs

The updated schedule of anticipated capital costs for Units 2 & 3 is reflected in **Appendix 2**. Further details as to the changes in these anticipated capital cost components are set forth in **Appendix 4**.

VI. Conclusion

As indicated above, the project is proceeding in compliance with the cost and schedule forecasts approved by the Commission in Order No. 2009-104A. The scheduled completion dates for Units 2 & 3 remain April 1, 2016 and January 1, 2019, respectively. The Units are on track to be completed within the projected cost of \$4.5 billion in 2007 dollars net of AFUDC. The Company maintains an extensive staff of experts that monitors and oversees the work of its contractors and has identified and continues to monitor closely all areas of concerns related to either cost or schedule for the project. The Company will continue to update the Commission and ORS of progress and concerns as the project proceeds.

APPENDIX 1

V. C. Summer Nuclear Station Units 2 & 3

Quarterly Report to the South Carolina Office of Regulatory Staff Submitted by South Carolina Electric & Gas Company Pursuant to Public Service Commission Order No. 2009-104A

Quarter Ending March 31, 2009

Appendix 1, Chart A lists and updates each of the milestones contained in Exhibit E to the Combined Application (Hearing Exhibit 2, SAB-5) which the Commission adopted as the Approved Construction Schedule for the Units, pursuant to S.C. Code Ann. § 58-33-270(B)(1). **Appendix 1, Chart A** provides columns with the following information:

1. The original milestone date by year and quarter as approved by the Commission in Order 2009-104A.
2. The description of the milestone as originally provided in Exhibit E to the Combined Application (Hearing Exhibit 2, SAB-5).
3. An updated statement of how the milestone is described in the current project schedule.
4. The revised milestone date by year and quarter where milestones have been adjusted since they were approved in Order No. 2009-104A.
5. Information as to whether any milestone has been shifted outside of the 18/24 Month Contingency approved by the Commission.
6. Information as to whether any current change in this milestone is anticipated to impact the substantial completion date.
7. For completed milestones, the date by which it was completed. For completed milestones, this column entry is shaded.
8. Notes as to individual milestones and milestone adjustments, which include references, where necessary, to additional information concerning certain milestones provided in **Appendix 1, Chart B**.

Appendix 1, Chart B lists each milestone that has been shifted and gives the number of months by which it is shifted.

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2008	2	08-2Q-1 Approve Engineering, Procurement and Construction Agreement	N/A	N/A	No	No	5/23/2008	
2008	2	08-2Q-2 Issue Purchase Orders to nuclear component fabricators for Units 2 and 3 Containment Vessels, Passive Residual Heat Removal Heat Exchangers, Accumulator Tanks, Core Makeup Tanks, Squib Valves, Steam Generators, Reactor Coolant Pumps, Pressurizer Vessels, Reactor Coolant Loop Hot Leg A Piping, Reactor Vessel Internals, Reactor Vessels, Reactor Integrated Head Packages, Control Rod Drive Mechanisms and Nuclear Island structural CA20 Modules	Issue P.O.'s to nuclear component fabricators for Units 2 and 3 Containment Vessels Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - First Payment - Unit 2 Contractor Issue PO to Accumulator Tank Fabricator - Unit 2 Contractor Issue PO to Core Makeup Tank Fabricator - Units 2 & 3 Contractor Issue PO to Squib Valve Fabricator - Units 2 & 3 Contractor Issue PO to Steam Generator Fabricator - Units 2 & 3 Contractor Issue Long Lead Material PO to Reactor Coolant Pump Fabricator - Units 2 & 3 Contractor Issue PO to Pressurizer Fabricator - Units 2 & 3 Contractor Issue PO to Reactor Coolant Loop Pipe Fabricator - First Payment - Units 2 & 3	08-4Q 08-3Q 08-3Q 08-3Q 09-1Q 08-2Q 08-2Q 08-3Q 08-2Q	No No No No No No No No No	No No No No No No No No No	12/3/2008 8/31/2008 7/31/2008 9/30/2008 3/31/2009 6/30/2008 6/30/2008 8/31/2008 6/30/2008	

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Technology	Revised Year/Quarter	Outside +18-24 Month Contingency?	Sustantial Completion Date Impact?	Completion Date	Notes
2008	3	08-3Q-1 Start Site Specific and balance of plant detailed design	Reactor Vessel Internals - Issue Long Lead Material PO to Fabricator - Units 2 and 3	08-4Q	No	No	11/21/2008	
		08-3Q-2 Issue PO and submit payment to fabricator via Westinghouse for Units 2 and 3 Simulators	Contractor Issue Long Lead Material PO to Reactor Vessel Fabricator - Units 2 & 3	08-2Q	No	No	6/30/2008	
	3	08-3Q-3 Issue final PO's and submit payments to fabricators via Westinghouse for Units 2 and 3 Steam Generators, Reactor Vessel Internals and Reactor Vessels.	Contractor Issue PO to Integrated Head Package Fabricator - Units 2 & 3	09-3Q	No	No		
			Control Rod Drive Mechanism Issue PO for Long Lead Material to Fabricator - Units 2 and 3 - first payment	08-2Q	No	No	6/21/2008	
			Issue P.O.'s to nuclear component fabricators for Nuclear Island structural CA20 Modules	09-3Q	No	No		
			N/A	08-2Q	No	No	6/23/2008	
2008	3		Instrumentation & Control Simulator - Contractor Place Notice to Proceed - Units 2 & 3	08-4Q	No	No	10/31/2008	
2008			Steam Generator - Issue Final PO to Fabricator for Units 2 and 3	08-2Q	No	No	6/30/2008	
			RV1 - Contractor Issue PO for Long Lead Material (Heavy Plate and Heavy Forgings) to Fabricator - Units 2 & 3	10-1Q	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2008	3	08-3Q-4 Issue PO and submit payment via Westinghouse to fabricator for Units 2 and 3 Transformers.	Contractor Issue Final PO to Reactor Vessel Fabricator - Units 2 & 3	N/A	No	No	9/30/2008	
2008	4	08-4Q-1 Start clearing, grubbing and grading	Variable Frequency Drive Fabricator Issue Transformer PO - Units 2 & 3	09-2Q	No	No		
2008	4	08-4Q-2 Issue final Purchase Orders and submit payments to fabricators via Westinghouse for Units 2 and 3 Core Makeup Tanks, Accumulator Tanks, Pressurizers, Reactor Coolant Loop Piping, Integrated Head Packages, Control Rod Drive Mechanisms and Passive Residual Heat Removal Heat Exchangers	N/A	09-1Q	No	No	1/26/2009	
			Core Makeup Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	N/A	No	No	10/31/2008	
			Accumulator Tank Fabricator Issue Long Lead Material PO - Units 2 & 3	N/A	No	No	10/31/2008	
			Pressurizer Fabricator Issue Long Lead Material PO - Units 2 & 3	N/A	No	No	10/31/2008	
			Reactor Coolant Loop Pipe - Contractor Issue PO to Fabricator - Second Payment - Units 2 & 3	09-2Q	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
			Integrated Head Package - Issue PO to Fabricator - Units 2 and 3 - second payment	09-3Q	No	No		
			Control Rod Drive Mechanisms - Contractor Issue PO for Long Lead Material to Fabricator - Units 2 & 3	08-2Q	No	No	6/30/2008	
			Contractor Issue PO to Passive Residual Heat Removal Heat Exchanger Fabricator - Second Payment - Units 2 & 3	N/A	No	No	10/31/2008	
2009	1	09-1Q-1 Start Parr Road intersection work.	N/A	09-1Q	No	No	2/16/2009	
2009	1	09-1Q-2 Issue final Purchase Order and submit payment via Westinghouse to fabricator for Units 2 and 3 Reactor Coolant Pumps	Reactor Coolant Pump - Issue Final PO to Fabricator - Units 2 and 3	08-2Q	No	No	6/30/2008	
2009	1	09-1Q-3 Issue Purchase Order for Long Lead Material and submit payment via Westinghouse to fabricator for Units 2 and 3 Intergrated Heat Packages	Integrated Heat Packages Fabricator Issue Long Lead Material PO - Units 2 & 3	09-4Q	No	No		
2009	1	09-1Q-4 Submit partial payment to Westinghouse for Design Finalization	Design Finalization Payment 3	N/A	No	No	1/31/2009	
2009	2	09-2Q-1 Start site development	N/A	08-2Q	No	No	6/23/2008	

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustantial Completion Date Impact?	Completion Date	Notes
2009	2	09-2Q-2 Issue Purchase Orders and submit payments via Westinghouse for Units 2 and 3 Turbine/Generators and Main Transformers	Contractor Issue PO to Turbine Generator Fabricator - Units 2 & 3	09-1Q	No	No	2/17/2009	
			Contractor Issue PO to Main Transformers Fabricator - Units 2 & 3	09-3Q	No	No		
2009	2	09-2Q-3 Receive Units 2 and 3 Core Makeup Tank material at fabricator	Core Makeup Tank Fabricator Notice to Contractor Receipt of Long Lead Material - Units 2 & 3	10-4Q	No	No		
2009	2	09-2Q-4 Submit partial payment to Westinghouse for Design Finalization	Design Finalization Payment 4	N/A	No	No		
2009	3	09-3Q-1 Issue Purchase Order and submit payment via Westinghouse for Unit 2 Turbine Generator Condenser material	Turbine Generator Fabricator Issue PO for Condenser Material - Unit 2	N/A	No	No		
2009	3	09-3Q-2 Submit payments to fabricators via Westinghouse for Units 2 and 3 Reactor Coolant Pumps and Passive Residual Heat Removal Heat Exchangers	Reactor Coolant Pump Fabricator Issue Long Lead Material Lot 2 - Units 2 & 3	09-2Q	No	No		
			Passive Residual Heat Removal Heat Exchanger Fabricator Receipt of Long Lead Material - Units 2 & 3	10-2Q	No	No		
2009	3	09-3Q-3 Submit partial payment to Westinghouse for Design Finalization	Design Finalization Payment 5	N/A	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2009	4	09-4Q-1 Start erection of construction buildings, to include craft facilities for personnel, tools, equipment; first aid facilities; field offices for site management and support personnel; temporary warehouses; and construction hiring office.	N/A	09-3Q	No	No		
2009	4	09-4Q-2 Receive Unit 2 Reactor Vessel flange nozzle shell forging at fabricator	Reactor Vessel Fabricator Notice to Contractor of Receipt of Flange Nozzle Shell Forging - Unit 2	09-3Q	No	No		
2009	4	09-4Q-3 Submit partial payment to Westinghouse for Design Finalization	Design Finalization Payment 6	N/A	No	No		
2009	4	09-4Q-4 Issue Purchase Order and submit payment via Westinghouse to fabricator for Units 2 and 3 Radiation Monitoring Systems	Instrumentation and Control / Simulator - Contractor Issue PO to Subcontractor for Rad Monitor Sys - Units 2 & 3	N/A	No	No		
2010	1	10-1Q-1 Receive Unit 2 Reactor Vessel Internals core shroud material at the fabricator	Reactor Vessel Internals - Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	11-2Q	No	No		
2010	1	10-1Q-2 Payment to fabricator via Westinghouse for Unit 2 Turbine/Generator Feedwater Heater material	Turbine Generator Fabricator Issue PO for Moisture Separator Reheater/Feedwater Heater Material - Unit 2	10-2Q	No	No		
2010	1	10-1Q-3 Receive raw material at fabricator for Unit 2 Reactor Coolant Loop piping	Reactor Coolant Loop Pipe Fabricator Acceptance of Raw Material - Unit 2	10-2Q	No	No		
2010	2	10-2Q-1 Receive Unit 2 Reactor Vessel Internals upper guide tube Material at the fabricator	Reactor Vessel Internals - Fabricator Start Weld Neutron Shield Spacer Pads to Assembly - Unit 2	11-4Q	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2010	2	10-2Q-2 Submit payment to Westinghouse for the Unit 2 Control Rod Drive Mechanisms	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 2	09-2Q	No	No		
2010	2	10-2Q-3 Perform cladding on Unit 2 Pressurizer bottom head at fabricator	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 2	10-4Q	No	No		
2010	3	10-3Q-1 Start excavation and foundation work for the standard plant for Unit 2	N/A	10-1Q	No	No		
2010	3	10-3Q-2 Receive Unit 2 Steam Generator tube sheet forging at the fabricator	Steam Generator Fabricator Notice to Contractor of Receipt of 2nd Steam Generator Tubesheet Forging Unit 2	10-1Q	No	No		
2010	3	10-3Q-3 Complete Unit 2 Reactor Vessel outlet nozzle weld to flange at the fabricator	Reactor Vessel Fabricator Notice to Contractor of Outlet Nozzle Welding to Flange Nozzle Shell Completion - Unit 2	10-1Q	No	No		
2010	3	10-3Q-4 Start Unit 2 Condenser fabrication at the fabricator	Turbine Generator Fabricator Notice to Contractor Condenser Fabrication Started - Unit 2	10-2Q	No	No		
2010	4	10-4Q-1 Complete preparations for receiving the first module on site for Unit 2.	N/A	10-3Q	No	No		
2010	4	10-4Q-2 Receive Unit 2 Steam Generator transition cone forging at the fabricator	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Transition Cone Forging - Unit 2	10-2Q	No	No		
2010	4	10-4Q-3 Complete Unit 2 Reactor Coolant Pump casing fabrication	Reactor Coolant Pump Fabricator Notice to Contractor of Manufacturing of Casing Completion - Unit 2	N/A	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustantial Completion Date Impact?	Completion Date	Notes
2010	4	10-4Q-4 Complete machining, heat treatment and Nondestructive examination of Unit 2 Reactor Coolant Loop Hot Leg A piping at the fabricator	Reactor Coolant Loop Pipe Fabricator Notice to Contractor of Machining, Heat Treating & Non-Destructive Testing Completion - Unit 2	N/A	No	No		
2011	1	11-1Q-1 Complete Unit hydrotests for Core Makeup Tanks	Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 2	11-2Q	No	No		
2011	1	11-1Q-2 Issue Purchase Order and submit payment via Westinghouse to fabricator for Units 2 and 3 Polar Crane main hoist drums and wire rope.	Polar Crane Fabricator Issue PO for Main Hoist Drum and Wire Rope - Units 2 & 3	N/A	No	No		
2011	2	11-2Q-1 Receive Unit 3 Control Rod Drive Mechanism latch housing/rod travel housing material at the fabricator	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 3	11-2Q	No	No		
2011	2	11-2Q-2 Complete Unit 2 Condenser shipment preparation at the fabricator	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 2	11-4Q	No	No		
2011	3	11-3Q-1 Start placement of mud mat for Unit 2	N/A	N/A	No	No		
2011	3	11-3Q-2 Receive Unit 2 Steam Generator tubing at the fabricator	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Tubing - Unit 2	11-1Q	No	No		
2011	3	11-3Q-3 Complete upper head welding on Unit 2 Pressurizer at the fabricator	Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10-4Q	No	No		
2011	3	11-3Q-4 Complete Unit 3 Reactor Vessel closure head cladding at the fabricator	Reactor Vessel Fabricator Notice to Contractor of Closure Head Cladding Completion - Unit 3	12-1Q	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2011	4	11-4Q-1 Begin Unit 2 first nuclear concrete placement	N/A	N/A	No	No		
2011	4	11-4Q-2 Complete fabrication of Unit 2 Reactor Coolant Pump stator core at the fabricator	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 2	11-3Q	No	No		
2011	4	11-4Q-3 Begin Unit 2 Reactor Vessel Internals welding of core shroud panel ring at the fabricator	Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	11-2Q	No	No		
2011	4	11-4Q-4 Complete 1st Unit 2 Steam Generator tubing installation at the fabricator	Steam Generator Fabricator Notice to Contractor of Completion of 1st S/G Tubing Installation - Unit 2	11-2Q	No	No		
2011	4	11-4Q-5 Ship Unit 2 Reactor Coolant Loop pipe to site	Reactor Coolant Loop Pipe - Shipment of Equipment to Site - Unit 2	12-4Q	No	No		
2011	4	11-4Q-6 Ship Unit 2 Control Rod Drive Mechanism to site.	Control Rod Drive Mechanism - Ship Remainder of Equipment (Latch Assembly & Rod Travel Housing) to Head Supplier - Unit 2	11-4Q	No	No		
2011	4	11-4Q-7 Complete weld for Unit 2 Pressurizer lower shell to head at the fabricator	Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10-4Q	No	No		
2011	4	11-4Q-8 Complete 2nd Steam Generator tubing installation for Unit 3 at the fabricator	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 2	11-2Q	No	No		
2011	4	11-4Q-9 Submit partial payment to Westinghouse for Design Finalization	Design Finalization Payment 14	N/A	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2012	1	12-1Q-1 Set module CA04 for Unit 2	N/A	11-4Q	No	No		
2012	1	12-1Q-2 Complete post weld heat treat of 2nd tubesheet for Unit 2 Passive Residual Heat Removal Heat Exchanger	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Final Post Weld Heat Treatment - Unit 2	10-2Q	No	No		
2012	1	12-1Q-3 Complete 1st tubesheet drilling for Unit 2 Passive Residual Heat Removal Heat Exchanger	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Completion of Tubing - Unit 2	11-1Q	No	No		
2012	1	12-1Q-4 Complete girder fabrication for Unit 2 Polar Crane	Polar Crane Fabricator Notice to Contractor of Girder Fabrication Completion - Unit 2	N/A	No	No		
2012	1	12-1Q-5 Complete preparations for Unit 3 Turbine Generator Condenser shipment	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 3	13-3Q	No	No		
2012	2	12-2Q-1 Set Containment Vessel ring #1 for Unit 2	N/A	N/A	No	No		
2012	2	12-2Q-2 Deliver Unit 2 Reactor Coolant Pump casings to the site	Reactor Coolant Pump Fabricator Delivery of Casings to Port of Export - Unit 2	12-1Q	No	No		
2012	2	12-2Q-3 Complete Unit 3 Reactor Coolant Pump stator core	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 3	13-3Q	No	No		
2012	2	12-2Q-4 Receive core shell forging for Unit 3 Reactor Vessel	Reactor Vessel Fabricator Notice to Contractor of Receipt of Core Shell Forging - Unit 3	12-3Q	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2012	2	12-2Q-5 Complete Unit 3 Pressurizer cladding on bottom head	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 3	13-1Q	No	No		
2012	3	12-3Q-1 Set Nuclear Island structural module CA03 for Unit 2	N/A	N/A	No	No		
2012	3	12-3Q-2 Complete 1st Unit Squib Valve factory operational test	Squib Valve Fabricator Notice to Contractor of Completion of Assembly and Test for Squib Valve Hardware - Unit 2	12-2Q	No	No		
2012	3	12-3Q-3 Complete Unit 3 Accumulator Tank hydrotest	Accumulator Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	12-4Q	No	No		
2012	3	12-3Q-4 Complete electrical panel assembly for Unit 2 Polar Crane	Polar Crane Fabricator Notice to Contractor of Electric Panel Assembly Completion - Unit 2	N/A	No	No		
2012	4	12-4Q-1 Start containment large bore pipe supports for Unit 2	N/A	12-2Q	No	No		
2012	4	12-4Q-2 Ship Unit 2 Reactor Integrated Head Package to site from fabricator	Integrated Head Package - Shipment of Equipment to Site - Unit 2	N/A	No	No		
2012	4	12-4Q-3 Complete Unit 2 Reactor Coolant Pump stator fabrication	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 2	N/A	No	No		
2012	4	12-4Q-4 Complete 2nd Unit 3 Steam Generator tubing installation at fabricator	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 3	13-2Q	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18/-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2012	4	12-4Q-5 Complete 1st Unit 2 Steam Generator hydrotest at fabricator	Steam Generator Fabricator Notice to Contractor of Satisfactory Completion of 1st Steam Generator Hydrotest - Unit 2	12-2Q	No	No		
2013	1	13-1Q-1 Start concrete fill of Nuclear Island structural modules CA01 and CA02 for Unit 2	N/A	N/A	No	No		
2013	1	13-1Q-2 Ship Unit 2 Passive Residual Heat Removal Heat Exchanger to site from fabricator	Passive Residual Heat Removal Heat Exchanger - Delivery of Equipment to Port of Entry - Unit 2	12-2Q	No	No		
2013	1	13-1Q-3 Complete Unit 2 Refueling Machine Assembly factory acceptance test	Refueling Machine Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 2	N/A	No	No		
2013	1	13-1Q-4 Ship Unit 2 Reactor Vessel Internals to site from fabricator	Deliver Reactor Vessel Internals to Port of Export - Unit 2	13-3Q	No	No		
2013	2	13-2Q-1 Set Unit 2 Containment Vessel	N/A	13-2Q	No	No		
2013	2	13-2Q-2 Ship Unit 2 Steam Generator to site from fabricator	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 2	13-1Q	No	No		
2013	2	13-2Q-3 Complete preparation for Unit 2 Turbine/Generator shipment from Toshiba fabrication facility	Turbine Generator Fabricator Notice to Contractor Turbine Generator Ready to Ship - Unit 2	N/A	No	No		
2013	2	13-2Q-4 Complete Unit 3 Pressurizer hydrotest at fabricator	Pressurizer Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	14-1Q	No	No		
2013	2	13-2Q-5 Ship Unit 2 Polar Crane to site	Polar Crane - Shipment of Equipment to Site - Unit 2	N/A	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18-24 Month Contingency?	Sustained Completion Date Impact?	Completion Date	Notes
2013	2	13-2Q-6 Receive Unit 2 Reactor Vessel on site from fabricator	N/A	N/A	No	No		
2013	3	13-3Q-1 Set Unit 2 Reactor Vessel	N/A	13-2Q	No	No		
2013	3	13-3Q-2 Weld Unit 3 Steam Generator tubesheet to channel head	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Channel Head to Tubesheet Assembly Welding - Unit 3	13-4Q	No	No		
2013	3	13-3Q-3 Complete Unit 3 Reactor Coolant Pump final stator assembly at fabricator	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 3	14-3Q	No	No		
2013	3	13-3Q-4 Ship Unit 2 Reactor Coolant Pumps to site from fabricator	Reactor Coolant Pump - Shipment of Equipment to Site (2 Reactor Coolant Pumps) - Unit 2	13-3Q	No	No		
2013	3	13-3Q-5 Place first nuclear concrete for Unit 3	N/A	N/A	No	No		
2013	4	13-4Q-1 Set Unit 2 Steam Generator	N/A	13-3Q	No	No		
2013	4	13-4Q-2 Preparations complete for shipment of Unit 2 Main Transformers	Main Transformers Ready to Ship - Unit 2	N/A	No	No		
2013	4	13-4Q-3 Complete Unit 3 Reactor Vessel Internals to site from fabricator	Reactor Vessel Internals - Fabricator Start Perform Guide Tubes Free Path Test - Unit 3	15-2Q	No	No		
2013	4	13-4Q-4 Set Unit 2 Containment Vessel Bottom Head on basemat legs	N/A	13-3Q	No	No		
2014	1	14-1Q-1 Set Unit 2 Pressurizer Vessel	N/A	N/A	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18-24 Month Contingency?	Sustantial Completion Date Impact?	Completion Date	Notes
2014	1	14-1Q-2 Complete Unit 3 Reactor Coolant Pump Factory Acceptance Test at fabricator	Reactor Coolant Pump Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 3	15-1Q	No	No		
2014	1	14-1Q-3 Ship Unit 3 Reactor Vessel Internals to site from fabricator	Deliver Reactor Vessel Internals to Port of Export - Unit 3	15-2Q	No	No		
2014	1	14-1Q-4 Issue Purchase Order and submit payment to fabricator via Westinghouse for Unit 3 Main Transformers	Main Transformers Fabricator Issue PO for Material - Unit 3	N/A	No	No		
2014	2	14-2Q-1 Complete welding of Unit 2 Passive Residual Heat Removal System piping	N/A	14-1Q	No	No		
2014	2	14-2Q-2 Ship Unit 3 Steam Generator to site from fabricator	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 3	15-2Q	No	No		
2014	2	14-2Q-3 Ship Unit 3 Refueling Maching Assembly to site	Refueling Mach - Shipment of Equipment to Site - Unit 3	N/A	No	No		
2014	3	14-3Q-1 Set Unit 2 Polar Crane	N/A	14-2Q	No	No		
2014	3	14-3Q-2 Ship Unit 3 Reactor Coolant Pumps to site from fabricator	Reactor Coolant Pumps - Shipment of Equipment to Site - Unit 3	15-2Q	No	No		
2014	3	14-3Q-3 Complete shipment preparations for Unit 3 Main Transformers from fabricator	Main Transformers Ready to Ship - Unit 3	N/A	No	No		
2014	4	14-4Q-1 Ship last Unit 3 Spent Fuel Storage Rack module to site	Spent Fuel Storage Rack - Shipment of Last Rack Module - Unit 3	N/A	No	No		
2015	1	15-1Q-1 Start electrical cable pulling in Unit 2 Auxiliary Building	N/A	N/A	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Technology	Revised Year/Quarter	Outside +18-/24 Month Contingency?	Sustantial Completion Date Impact?	Completion Date	Notes
2015	1	15-1Q-2 Complete Unit 2 Reactor Coolant System cold hydro	N/A	15-3Q	No	No		
2015	2	15-2Q-1 Activate class 1E DC power in Unit 2 Auxiliary Building.	N/A	15-1Q	No	No		
2015	3	15-3Q-1 Complete Unit 2 hot functional test.	N/A	N/A	No	No		
2015	3	15-3Q-2 Install Unit 3 ring 3 for containment vessel	N/A	N/A	No	No		
2015	4	15-4Q-1 Load Unit 2 nuclear fuel	N/A	N/A	No	No		
2016	1	16-1Q-1 Unit 2 Substantial Completion	N/A	16-2Q	No	No		
2016	2	16-2Q-1 Set Unit 3 Reactor Vessel	N/A	15-4Q	No	No		
2016	3	16-3Q-1 Set Unit 3 Steam Generator #2	N/A	16-1Q	No	No		
2016	4	16-4Q-1 Set Unit 3 Pressurizer Vessel	N/A	16-2Q	No	No		
2017	1	17-1Q-1 Complete welding of Unit 3 Passive Residual Heat Removal System piping	N/A	16-2Q	No	No		
2017	2	17-2Q-1 Set Unit 3 polar crane	N/A	16-3Q	No	No		
2017	3	17-3Q-1 Start Unit 3 Shield Building roof slab rebar placement	N/A	17-1Q	No	No		
2017	4	17-4Q-1 Start Unit 3 Auxiliary Building electrical cable pulling	N/A	17-2Q	No	No		
2018	1	18-1Q-1 Activate Unit 3 Auxiliary Building class 1E DC power	N/A	17-2Q	No	No		

Appendix 1, Chart A
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	Outside +18-24 Month Contingency?	Sustantial Completion Date Impact?	Completion Date	Notes
2018	2	18-2Q-1 Complete Unit 3 Reactor Coolant System cold hydro	N/A	18-1Q	No	No		
2018	2	18-2Q-1 Complete Unit 3 hot functional test	N/A	18-1Q	No	No		
2018	3	18-3Q-1 Complete Unit 3 nuclear fuel load	N/A	N/A	No	No		
2018	4	18-4Q-1 Begin Unit 3 full power operation	N/A	19-1Q	No	No		
2019	2	19-1Q-1 Unit 3 Substantial Completion	N/A	19-1Q	No	No		

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Technology	Revised Year/Quarter	# of Months Delta (+/-)	Notes
2008	2	08-2Q-2 Issue Purchase Orders to nuclear component fabricators for Units 2 and 3 Containment Vessels, Passive Residual Heat Removal Heat Exchangers, Accumulator Tanks, Core Makeup Tanks, Squib Valves, Steam Generators, Reactor Coolant Pumps, Pressurizer Vessels, Reactor Coolant Loop Hot Leg A Piping, Reactor Vessel Internals, Reactor Vessels, Reactor Integrated Head Packages, Control Rod Drive Mechanisms and Nuclear Island structural CA20 Modules	Issue P.O.'s to nuclear component fabricators for Nuclear Island structural CAa20 Modules	09-3Q	(+) 15 Months	Note 1 - The initial Combined Application Exhibit E Milestone 08-2Q-2 was revised to include 14 individual milestones which are shown on the BLRA Milestone Tracking Sheet Note 2 - The initial Combined Application Exhibit E Milestone 08-3Q-3 was revised to include 3 individual milestones which are shown on the BLRA Milestone Tracking Sheet Note 3 - All milestones that remain open and that have a schedule change are listed on this BLRA Milestone Tracking Summary. The schedule change for these milestones is due to the realignment of the project schedule as a result of establishing the Performance Measurement Baseline Schedule. This schedule realignment is further addressed in Section III of this Combined Application Quarterly Report for the 1st quarter of 2009.
2008	3	08-3Q-3 Issue final PO's and submit payments to fabricators via Westinghouse for Units 2 and 3 Steam Generators, Reactor Vessel Internals and Reactor Vessels.	Reactor Vessel Internals - Contractor Issue PO for Long Lead Material (Heavy Plate and Heavy Forgings) to Fabricator - Units 2 & 3	10-1Q	(+) 16 Months	
2008	3	08-3Q-4 Issue PO and submit payment via Westinghouse to fabricator for Units 2 and 3 Transformers.	Variable Frequency Drive Fabricator Issue Transformer PO - Units 2 & 3	09-2Q	(+) 8 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/- Months) 09-1Q	Notes
2008	4	8-4Q-2 Issue final Purchase Orders and submit payments to fabricators via Westinghouse for Units 2 and 3 Core Makeup Tanks, Accumulator Tanks, Pressurizers, Reactor Coolant Loop Piping, Integrated Head Packages, Control Rod Drive Mechanisms and Passive Residual Heat Removal Heat Exchangers	Reactor Coolant Loop Pipe - Contractor Issue PO to Fabricator - Second Payment - Units 2 & 3	09-2Q	(+) 6 Months	
			Integrated Head Package - Issue PO to Fabricator - Units 2 and 3 - second payment	09-3Q	(+) 9 Months	
2009	1	09-1Q-3 Issue Purchase Order for Long Lead Material and submit payment via Westinghouse to fabricator for Units 2 and 3 Integrated Heat Packages	Integrated Heat Packages Fabricator Issue Long Lead Material PO - Units 2 & 3	09-4Q	(+) 9 Months	
2009	2	09-2Q-2 Issue Purchase Orders and submit payments via Westinghouse for Units 2 and 3 Turbine/Generators and Main Transformers	Contractor Issue PO to Main Transformers Fabricator - Units 2 & 3	09-3Q	(+) 5 Months	
2009	2	09-2Q-3 Receive Units 2 and 3 Core Makeup Tank material at fabricator	Core Makeup Tank Fabricator Notice to Contractor Receipt of Long Lead Material - Units 2 & 3	10-4Q	(+) 17 Months	
2009	3	09-3Q-1 Issue Purchase Order and submit payment via Westinghouse for Unit 2 Turbine Generator Condenser material	Turbine Generator Fabricator Issue PO for Condenser Material - Unit 2	N/A	(-) 1 Month	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/-) Months) 09-1Q	Notes
2009	3	09-3Q-2 Submit payments to fabricators via Westinghouse for Units 2 and 3 Reactor Coolant Pumps and Passive Residual Heat Removal Heat Exchangers	Reactor Coolant Pump Fabricator Issue LLM Lot 2 - Units 2 & 3 Passive Residual Heat Removal Heat Exchanger Fabricator Receipt of LLM - Units 2 & 3	09-2Q 10-2Q	(-) 4 Months (+) 9 Months	
2009	4	09-4Q-1 Start erection of construction buildings, to include craft facilities for personnel, tools, equipment; first aid facilities; field offices for site management and support personnel; temporary warehouses; and construction hiring office.	N/A	09-3Q	(-) 3 Months	
2009	4	09-4Q-2 Receive Unit 2 Reactor Vessel flange nozzle shell forging at fabricator	Reactor Vessel Fabricator Notice to Contractor of Receipt of Flange Nozzle Shell Forging - Unit 2	09-3Q	(-) 5 Months	
2010	1	10-1Q-1 Receive Unit 2 Reactor Vessel Internals core shroud material at the fabricator	Reactor Vessel Internals - Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	11-2Q	(+) 17 Months	
2010	1	10-1Q-2 Payment to fabricator via Westinghouse for Unit 2 Turbine/Generator Feedwater Heater material	Turbine Generator Fabricator Issue PO for Moisture Separator Reheater/Feedwater Heater Material - Unit 2	10-2Q	(+) 2 Months	
2010	1	10-1Q-3 Receive raw material at fabricator for Unit 2 Reactor Coolant Loop piping	Reactor Coolant Loop Pipe Fabricator Acceptance of Raw Material - Unit 2	10-2Q	(+) 1 Month	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/- Months) 09-1Q	Notes
2010	2	10-2Q-1 Receive Unit 2 Reactor Vessel Internals upper guide tube Material at the fabricator	Reactor Vessel Internals - Fabricator Start Weld Neutron Shield Spacer Pads to Assembly - Unit 2	11-4Q	(+) 17 Months	
2010	2	10-2Q-2 Submit payment to Westinghouse for the Unit 2 Control Rod Drive Mechanisms	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 2	09-2Q	(-) 11 Months	
2010	2	10-2Q-3 Perform cladding on Unit 2 Pressurizer bottom head at fabricator	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 2	10-4Q	(+) 6 Months	
2010	3	10-3Q-1 Start excavation and foundation work for the standard plant for Unit 2	N/A	10-1Q	(+) 3 Months	
2010	3	10-3Q-2 Receive Unit 2 Steam Generator tube sheet forging at the fabricator	Steam Generator Fabricator Notice to Contractor of Receipt of 2nd Steam Generator Tubesheet Forging - Unit 2	10-1Q	(-) 6 Months	
2010	3	10-3Q-3 Complete Unit 2 Reactor Vessel outlet nozzle weld to flange at the fabricator	Reactor Vessel Fabricator Notice to Contractor of Outlet Nozzle Welding to Flange Nozzle Shell Completion - Unit 2	10-1Q	(-) 6 Months	
2010	3	10-3Q-4 Start Unit 2 Condenser fabrication at the fabricator	Turbine Generator Fabricator Notice to Contractor Condenser Fabrication Started - Unit 2	10-2Q	(-) 3 Months	
2010	4	10-4Q-1 Complete preparations for receiving the first module on site for Unit 2.	N/A	10-3Q	(-) 3 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/- Months) 09-1Q	Notes
2010	4	10-4Q-2 Receive Unit 2 Steam Generator transition cone forging at the fabricator	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Transition Cone Forging - Unit 2	10-2Q	(-) 6 Months	
2011	1	11-1Q-1 Complete Unit hydrotests for Core Makeup Tanks	Core Makeup Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 2	11-2Q	(+) 3 Months	
2011	2	11-2Q-1 Receive Unit 3 Control Rod Drive Mechanism latch housing/rod travel housing material at the fabricator	Control Rod Drive Mechanisms - Fabricator to Start Procurement of Long Lead Material - Unit 3	11-2Q	(+) 1 Month	
2011	2	11-2Q-2 Complete Unit 2 Condenser shipment preparation at the fabricator	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 2	11-4Q	(+) 6 Months	
2011	3	11-3Q-2 Receive Unit 2 Steam Generator tubing at the fabricator	Steam Generator Fabricator Notice to Contractor of Receipt of 1st Steam Generator Tubing - Unit 2	11-1Q	(-) 6 Months	
2011	3	11-3Q-3 Complete upper head welding on Unit 2 Pressurizer at the fabricator	Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10-4Q	(-) 9 Months	
2011	3	11-3Q-4 Complete Unit 3 Reactor Vessel closure head cladding at the fabricator	Reactor Vessel Fabricator Notice to Contractor of Closure Head Cladding Completion - Unit 3	12-1Q	(+) 5 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/-) Months) 09-1Q	Notes
2011	4	11-4Q-2 Complete fabrication of Unit 2 Reactor Coolant Pump stator core at the fabricator	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 2	11-3Q	(-) 1 Month	
2011	4	11-4Q-3 Begin Unit 2 Reactor Vessel Internals welding of core shroud panel ring at the fabricator	Fabricator Start Fit and Welding of Core Shroud Assembly - Unit 2	11-2Q	(-) 4 Months	
2011	4	11-4Q-4 Complete 1st Unit 2 Steam Generator tubing installation at the fabricator	Steam Generator Fabricator Notice to Contractor of Completion of 1st S/G Tubing Installation - Unit 2	11-2Q	(-) 6 Months	
2011	4	11-4Q-5 Ship Unit 2 Reactor Coolant Loop pipe to site	Reactor Coolant Loop Pipe - Shipment of Equipment to Site - Unit 2	12-4Q	(+) 12 Months	
2011	4	11-4Q-6 Ship Unit 2 Control Rod Drive Mechanism to site.	Control Rod Drive Mechanism - Ship Remainder of Equipment (Latch Assembly & Rod Travel Housing) to Head Supplier - Unit 2	11-4Q	(+) 1 Month	
2011	4	11-4Q-7 Complete weld for Unit 2 Pressurizer lower shell to head at the fabricator	Pressurizer Fabricator Notice to Contractor of Welding of Upper and Intermediate Shells Completion - Unit 2	10-4Q	(-) 12 Months	
2011	4	11-4Q-8 Complete 2nd Steam Generator tubing installation for Unit 3 at the fabricator	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 2	11-2Q	(-) 6 Months	
2012	1	12-1Q-1 Set module CA04 for Unit 2	N/A	11-4Q	(-) 4 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/- Months) 09-1Q	Notes
2012	1	12-1Q-2 Complete post weld heat treat of 2nd tubesheet for Unit 2 Passive Residual Heat Removal Heat Exchanger	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Final Post Weld Heat Treatment - Unit 2	10-2Q	(-) 19 Months	
2012	1	12-1Q-3 Complete 1st tubesheet drilling for Unit 2 Passive Residual Heat Removal Heat Exchanger	Passive Residual Heat Removal Heat Exchanger Fabricator Notice to Contractor of Completion of Tubing - Unit 2	11-1Q	(-) 13 Months	
2012	1	12-1Q-5 Complete preparations for Unit 3 Turbine Generator Condenser shipment	Turbine Generator Fabricator Notice to Contractor Condenser Ready to Ship - Unit 3	13-3Q	(+) 17 Months	
2012	2	12-2Q-2 Deliver Unit 2 Reactor Coolant Pump casings to the site	Reactor Coolant Pump Fabricator Delivery of Casings to Port of Export - Unit 2	12-1Q	(-) 1 Month	
2012	2	12-2Q-3 Complete Unit 3 Reactor Coolant Pump stator core	Reactor Coolant Pump Fabricator Notice to Contractor of Stator Core Completion - Unit 3	13-3Q	(+) 13 Months	
2012	2	12-2Q-4 Receive core shell forging for Unit 3 Reactor Vessel	Reactor Vessel Fabricator Notice to Contractor of Receipt of Core Shell Forging - Unit 3	12-3Q	(+) 5 Months	
2012	2	12-2Q-5 Complete Unit 3 Pressurizer cladding on bottom head	Contractor Notified that Pressurizer Fabricator Performed Cladding on Bottom Head - Unit 3	13-1Q	(+) 8 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/-) Months) 09-1Q	Notes
2012	3	12-3Q-2 Complete 1st Unit Squib Valve factory operational test	Squib Valve Fabricator Notice to Contractor of Completion of Assembly and Test for Squib Valve Hardware - Unit 2	12-2Q	(-) 3 Months	
2012	3	12-3Q-3 Complete Unit 3 Accumulator Tank hydrotest	Accumulator Tank Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	12-4Q	(+) 5 Months	
2012	4	12-4Q-1 Start containment large bore pipe supports for Unit 2	N/A	12-2Q	(-) 6 Months	
2012	4	12-4Q-4 Complete 2nd Unit 3 Steam Generator tubing installation at fabricator	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Steam Generator Tubing Installation - Unit 3	13-2Q	(+) 5 Months	
2012	4	12-4Q-5 Complete 1st Unit 2 Steam Generator hydrotest at fabricator	Steam Generator Fabricator Notice to Contractor of Satisfactory Completion of 1st Steam Generator Hydrotest - Unit 2	12-2Q	(-) 7 Months	
2013	1	13-1Q-2 Ship Unit 2 Passive Residual Heat Removal Heat Exchanger to site from fabricator	Passive Residual Heat Removal Heat Exchanger - Delivery of Equipment to Port of Entry - Unit 2	12-2Q	(-) 9 Months	
2013	1	13-1Q-4 Ship Unit 2 Reactor Vessel Internals to site from fabricator	Deliver Reactor Vessel Internals to Port of Export - Unit 2	13-3Q	(+) 4 Months	
2013	2	13-2Q-1 Set Unit 2 Containment Vessel	N/A	13-2Q	(+) 3 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/-) Months) 09-1Q	Notes
2013	2	13-2Q-2 Ship Unit 2 Steam Generator to site from fabricator	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 2	13-1Q	(-) 1 Month	
2013	2	13-2Q-4 Complete Unit 3 Pressurizer hydrotest at fabricator	Pressurizer Fabricator Notice to Contractor of Satisfactory Completion of Hydrotest - Unit 3	14-1Q	(+) 8 Months	
2013	3	13-3Q-1 Set Unit 2 Reactor Vessel	N/A	13-2Q	(-) 2 Months	
2013	3	13-3Q-2 Weld Unit 3 Steam Generator tubesheet to channel head	Steam Generator Fabricator Notice to Contractor of Completion of 2nd Channel Head to Tubesheet Assembly Welding - Unit 3	13-4Q	(+) 5 Months	
2013	3	13-3Q-3 Complete Unit 3 Reactor Coolant Pump final stator assembly at fabricator	Reactor Coolant Pump Fabricator Notice to Contractor of Final Stator Assembly Completion - Unit 3	14-3Q	(+) 13 Months	
2013	3	13-3Q-4 Ship Unit 2 Reactor Coolant Pumps to site from fabricator	Reactor Coolant Pump - Shipment of Equipment to Site (2 Reactor Coolant Pumps) - Unit 2	13-3Q	(+) 2 Months	
2013	4	13-4Q-1 Set Unit 2 Steam Generator	N/A	13-3Q	(-) 3 Months	
2013	4	13-4Q-3 Complete Unit 3 Reactor Vessel Internals to site from fabricator	Reactor Vessel Internals - Fabricator Start Perform Guide Tubes Free Path Test - Unit 3	15-2Q	(+) 16 Months	
2013	4	13-4Q-4 Set Unit 2 Containment Vessel Bottom Head on basemat legs	N/A	13-3Q	(-) 3 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/- Months) 09-1Q	Notes
2014	1	14-1Q-2 Complete Unit 3 Reactor Coolant Pump Factory Acceptance Test at fabricator	Reactor Coolant Pump Fabricator Notice to Contractor of Satisfactory Completion of Factory Acceptance Test - Unit 3	15-1Q	(+) 13 Months	
2014	1	14-1Q-3 Ship Unit 3 Reactor Vessel Internals to site from fabricator	Deliver Reactor Vessel Internals to Port of Export - Unit 3	15-2Q	(+) 15 Months	
2014	2	14-2Q-1 Complete welding of Unit 2 Passive Residual Heat Removal System piping	N/A	14-1Q	(-) 3 Months	
2014	2	14-2Q-2 Ship Unit 3 Steam Generator to site from fabricator	Steam Generator - Contractor Acceptance of Equipment at Port of Entry - Unit 3	15-2Q	(+) 12 Months	
2014	3	14-3Q-1 Set Unit 2 Polar Crane	N/A	14-2Q	(-) 5 Months	
2014	3	14-3Q-2 Ship Unit 3 Reactor Coolant Pumps to site from fabricator	Reactor Coolant Pumps - Shipment of Equipment to Site - Unit 3	15-2Q	(+) 11 Months	
2015	1	15-1Q-2 Complete Unit 2 Reactor Coolant System cold hydro	N/A	15-3Q	(+) 5 Months	
2015	2	15-2Q-1 Activate class 1E DC power in Unit 2 Auxiliary Building.	N/A	15-1Q	(-) 3 Months	
2016	1	16-1Q-1 Unit 2 Substantial Completion	N/A	16-2Q	(+) 2 Months	
2016	2	16-2Q-1 Set Unit 3 Reactor Vessel	N/A	15-4Q	(-) 12 Months	
2016	3	16-3Q-1 Set Unit 3 Steam Generator #2	N/A	16-1Q	(-) 8 Months	

Appendix 1, Chart B
VC Summer Units 2 and 3

Original Year	Original Quarter	Milestone (BLRA Exhibit E)	Updated Milestone Terminology	Revised Year/Quarter	# of Months Delta (+/-) Months) 09-1Q	Notes
2016	4	16-4Q-1 Set Unit 3 Pressurizer Vessel	N/A	16-2Q	(-) 8 Months	
2017	1	17-1Q-1 Complete welding of Unit 3 Passive Residual Heat Removal System piping	N/A	16-2Q	(-) 6 Months	
2017	2	17-2Q-1 Set Unit 3 polar crane	N/A	16-3Q	(-) 12 Months	
2017	3	17-3Q-1 Start Unit 3 Shield Building roof slab rebar placement	N/A	17-1Q	(-) 6 Months	
2017	4	17-4Q-1 Start Unit 3 Auxiliary Building electrical cable pulling	N/A	17-2Q	(-) 6 Months	
2018	1	18-1Q-1 Activate Unit 3 Auxiliary Building class 1E DC power	N/A	17-2Q	(-) 10 Months	
2018	2	18-2Q-1 Complete Unit 3 Reactor Coolant System cold hydro	N/A	18-1Q	(-) 4 Months	
2018	2	18-2Q-1 Complete Unit 3 hot functional test	N/A	18-1Q	(-) 4 Months	
2018	4	18-4Q-1 Begin Unit 3 full power operation	N/A	19-1Q	(-) 8 Months	
2019	2	19-1Q-1 Unit 3 Substantial Completion	N/A	19-1Q	(-) 4 Months	

APPENDIX 2

V. C. Summer Nuclear Station Units 2 & 3

Quarterly Report to the South Carolina Office of Regulatory Staff Submitted by South Carolina Electric & Gas Company Pursuant to Public Service Commission Order No. 2009-104A

Quarter Ending March 31, 2009

Appendix 2 is an updated and expanded version of the information contained in Exhibit F to the Combined Application Hearing Exhibit 16, EEB-1-P/C. The information contained in **Appendix 2** has been updated or expanded to show:

1. The actual expenditures on the project by plant cost category through the current period.
2. The changes in capital costs reflecting the Company's current forecast of expenditures on the project for each future period by plant cost category. In updating its cost projections the Company has used the current construction schedule for the project and the Commission-approved inflation indices as set forth in **Appendix 5** to this report.
3. The cumulative Construction Work in Progress for the project and the balance of Construction Work in Progress that is not yet reflected in revised rates.
4. The current rate for calculating AFUDC computed as required under applicable FERC regulations.

Appendix 2

UPDATED and ANTICIPATED CONSTRUCTION EXPENDITURES

(Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Plant Cost Categories	Actual		Projected									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	21,723	97,467	325,271	391,175	441,357	610,095	604,431	463,355	375,415	259,009	105,000	93,565
Fixed with No Adjustment	-	3,409	22,491	59,733	97,578	199,487	260,563	247,902	231,848	200,092	84,192	86,512
Firm with Fixed Adjustment A	-	-	37,812	40,770	49,410	55,308	55,994	52,233	43,838	29,417	18,818	8,403
Firm with Fixed Adjustment B	-	-	2,775	6,999	12,922	19,523	24,632	28,098	27,522	22,993	15,608	6,251
Actual Craft Wages												
Non-Labor Costs												
Time & Materials												
Owners Costs												
Total Unescalated Project Costs	3,787,863	21,723	97,467	391,175	441,357	610,095	604,431	463,355	375,415	259,009	105,000	93,565
Project Cost Escalation	1,493,807	-	3,409	59,733	97,578	199,487	260,563	247,902	231,848	200,092	84,192	86,512
Contingency(2007 \$)	392,003	-	-	-	-	-	-	-	-	-	-	-
Contingency Escalation	167,323	-	-	-	-	-	-	-	-	-	-	-
Total Net Cash Flow	5,840,996	21,723	100,876	498,677	601,267	884,413	945,620	791,588	678,623	511,511	223,618	194,731
Transmission Projects												
Total Unescalated Project Costs	308,591	-	27	1,502	3,043	4,864	9,947	24,850	37,443	43,451	81,739	101,171
Contingency	46,289	-	-	-	-	167	1,456	4,054	5,985	329	13,606	20,646
Escalation	363,699	-	2	342	855	1,967	5,824	18,518	33,952	40,937	105,024	156,204
Total Net Cash Flow	718,579	-	29	1,844	3,897	6,998	17,226	47,423	77,380	84,716	200,368	278,021
Total Project Cash Flow	6,559,576	21,723	100,905	500,521	605,164	891,411	962,846	839,011	756,003	596,227	423,986	472,752
Cumulative Project Cash Flow												
AFUDC(Capitalized Interest)	315,739	645	3,496	23,979	28,098	36,328	45,517	45,035	39,297	25,923	22,789	28,659
Gross Construction	6,875,315	22,368	104,401	524,501	633,262	927,739	1,008,363	884,046	795,301	622,151	446,776	501,411
Construction Work in Process												
CWIP Currently in Rates												
June 30, 2009 Projected Incremental CWIP Not Currently in Rates												

Notes:

Current Period AFUDC rate applied

8.08%

The AFUDC rate applied is the current SCE&G rate. AFUDC rates can vary with changes in market interest rates. SCE&G's embedded cost of capital, capitalization ratios, construction work in process, and SCE&G's short-term debt outstanding.

APPENDIX 3

V. C. Summer Nuclear Station Units 2 & 3

**Quarterly Report to the South Carolina Office of Regulatory Staff
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-104A**

Quarter Ending March 31, 2009

For comparison purposes, **Appendix 3** provides an original version of Exhibit F to the Combined Application Hearing Exhibit 16, EEB-1-P/C. It contains the original Cumulative Project Cash Flow for the project which was approved by the Commission, as the Approved Capital Cost of the Units, pursuant to S.C. Code Ann. § 58-33-270(B)(2), but subject to revision for escalation, changes in AFUDC rates and amounts, capital cost scheduling contingencies and other contingency adjustments as authorized in Order No. 2009-104A.

Appendix 3

EXHIBIT F, Chart A to Combined Application Docket 2008-196-E

ANTICIPATED CONSTRUCTION SCHEDULE (Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Plant Cost Categories
Fixed with No Adjustment
Firm with Fixed Adjustment A
Firm with Fixed Adjustment B
Firm with Indexed Adjustment
Actual Craft Wages
Non-Labor Costs
Time & Materials
Owners Costs

Total Unescalated Project Costs
Project Cost Escalation
Contingency(2007 \$)
Contingency Escalation

Total Net Cash Flow

Transmission Projects
Total Unescalated Project Costs
Contingency
Escalation

Total Net Cash Flow

Total Project Cash Flow
Cumulative Project Cash Flow
AFUDC(Capitalized Interest)

Gross Construction

Construction Work in Process

Notes:
AFUDC rate applied

5.52%

The AFUDC rate applied is the current SCE&G rate. AFUDC rates can vary with changes in market interest rates, SCE&G's embedded cost of capital, capitalization ratios, construction work in process, and SCE&G's short-term debt outstanding.

Total	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
3,787,863	21,473	168,471	395,303	517,524	533,119	525,685	504,453	425,797	293,457	206,690	126,733	69,158
1,098,590	-	4,080	32,529	72,881	103,707	137,905	172,041	180,354	143,984	123,017	82,462	45,630
392,004	-	9,968	27,844	40,770	49,411	55,308	55,994	52,233	43,838	29,417	18,818	8,403
132,610	-	307	2,494	6,017	10,324	15,360	19,555	22,237	21,488	17,503	12,204	5,121
5,411,067	21,473	182,826	458,170	637,192	696,561	734,258	752,043	680,621	502,767	376,627	240,217	128,312
308,591	-	-	308	-	-	1,111	9,707	27,029	39,903	2,192	90,704	137,637
46,289	-	-	46	-	-	167	1,456	4,054	5,985	329	13,606	20,646
283,140	-	-	24	-	-	388	4,392	15,199	27,126	1,765	85,213	149,033
638,020	-	-	378	-	-	1,666	15,555	46,282	73,014	4,286	189,523	307,316
6,049,087	21,473	182,826	458,548	637,192	696,561	735,924	767,598	726,903	575,781	380,913	429,740	435,628
264,289	645	5,204	17,292	24,459	31,461	34,135	34,466	4,227,025	4,802,806	5,183,719	5,613,459	6,049,087
6,313,376	22,118	188,030	475,840	661,651	728,022	770,059	802,064	760,553	604,507	394,308	447,317	458,907
	22,118	210,148	685,988	1,347,639	2,075,661	2,845,720	3,647,784	4,408,337	5,012,844	5,407,152	5,854,469	6,313,376

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APPENDIX 4

V. C. Summer Nuclear Station Units 2 & 3

Quarterly Report to the South Carolina Office of Regulatory Staff Submitted by South Carolina Electric & Gas Company Pursuant to Public Service Commission Order No. 2009-104A

Quarter Ending March 31, 2009

Chart A of Appendix 4 sets forth a schedule showing the Cumulative Project Cash Flow approved by the Commission for each year of the project, as adjusted for inflation and approved contingencies. The Cumulative Project Cash Flow target as approved in Order No. 2009-104A and as updated for escalation and other Commission-approved adjustments is found under the heading **“Per Order 2009-104A Adjusted.”** The adjustments reflect:

1. Changes in inflation indices.
2. Changes in the timing of capital costs based on the use of the Cost Rescheduling contingencies authorized by the Commission
3. Budget Carry-forward Adjustments used, where appropriate to track the effect of lower-than-expected cumulative costs on the future cumulative cash flow of the project.
4. Carry forward of unused contingencies from prior years and contingency timing adjustments related to the acceleration of capital costs as authorized by the Commission.

Chart A of Appendix 4 also shows the cumulative cash flow for the project based on actual expenditures to date and the current construction schedule and forecast of year-by-year cost and going forward. This information is found under the heading **“Actual Through March, 2009, plus Projected.”** This part of **Appendix 4, Chart A** contains the same information that is presented in **Appendix 2** but unlike **Appendix 2**, it shows plant and transmission contingencies as a single pool of funds as was envisioned in Order No. 2009-104A.

Chart B of Appendix 4 provides a comparison of the adjusted Cumulative Project Cash Flow target for the project with the actual and forecasted cash flow for the project. This section **Chart A of Appendix 4** also shows the cumulative contingency

available to cover any amount by which the actual or forecasted expenditure is greater than the approved target expenditure during any year.

Chart C of Appendix 4 provides a year-by-year schedule of available contingency funds as well as their actual or anticipated use, and carry forward of unused amounts.

RESTATEd and UPDATED CONSTRUCTION EXPENDITURES

(Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

Per Order 2009 104-A Adjusted	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Annual Project Cash Flow(per order)	21,473	182,826	456,548	637,192	696,561	735,924	767,598	726,903	575,781	380,913	429,740	435,628
Capital Cost Rescheduling Contingency	-	-	-	-	-	-	-	-	-	-	-	-
Budget Carry-Forward Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Contingency Pool Timing Adjustment	-	-	-	-	-	-	-	-	-	-	-	-
Net	21,473	(9,968)	9,968	637,192	696,561	735,924	767,598	726,903	575,781	380,913	429,740	435,628
Adjusted for Change in Escalation	21,473	172,858	468,516	637,192	696,561	735,924	767,598	726,903	575,781	380,913	429,740	435,628
Cumulative Project Cash Flow(Target)	21,473	171,425	464,188	648,618	722,717	775,578	815,285	782,085	629,661	424,424	484,456	501,541
	21,473	192,898	657,086	1,305,704	2,028,421	2,803,999	3,619,284	4,401,369	5,031,030	5,455,454	5,939,910	6,441,451

Actual through March, 2009 plus Projected

	Actual	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total													
Plant Cost Categories													
Fixed with No Adjustment													
Firm with Fixed Adjustment A													
Firm with Fixed Adjustment B													
Firm with Indexed Adjustment													
Actual Craft Wages													
Non-Labor Costs													
Time & Materials													
Owners Costs													
Transmission Projects													
Total Base Project Costs(2007 \$)		21,723	97,494	325,826	392,677	444,400	614,959	614,378	488,205	412,858	302,460	186,739	194,736
Total Project Contingency(2007 \$)		-	-	37,858	40,770	49,410	55,475	57,450	56,287	49,823	29,746	32,424	29,049
Total Project Commitment(2007\$)		21,723	97,494	363,684	433,447	493,810	670,434	671,828	544,492	462,681	332,206	219,162	223,785
Total Project Escalation		-	3,411	25,340	67,074	111,355	220,977	291,019	294,518	293,322	264,022	204,824	248,967
Total Revised Project Cash Flow		21,723	100,905	389,024	500,521	605,164	891,411	962,846	839,011	756,003	596,227	423,986	472,752
Cumulative Project Cash Flow(Revised)		21,723	122,629	511,653	1,012,174	1,617,339	2,508,750	3,471,596	4,310,607	5,066,610	5,662,837	6,086,824	6,559,576

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Appendix 4, Chart B

RESTATEd and UPDATED CONSTRUCTION EXPENDITURES (Thousands of \$)

V.C. Summer Units 2 and 3 - Summary of SCE&G Capital Cost Components

	<u>Total</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
<u>Project Cash Flow Target</u>	6,441,451	21,473	171,425	464,188	648,618	722,717	775,578	815,285	782,085	629,661	424,424	484,456	501,541
<u>Total Revised Project Cash Flow</u>	6,559,576	21,723	100,905	389,024	500,521	605,164	891,411	962,846	839,011	756,003	596,227	423,986	472,752
<u>Comparison of Revised Cash Flow to Target</u>													
Year over Year Change	118,125	250	(70,520)	(75,164)	(148,097)	(117,553)	115,833	147,561	56,926	126,342	171,803	(60,470)	(28,789)
Cumulative Revised Project Cash Flow		21,723	122,629	511,653	1,012,174	1,617,339	2,508,750	3,471,596	4,310,607	5,066,610	5,662,837	6,086,824	6,559,576
Cumulative Project Cash Flow(Target)		21,473	192,898	657,086	1,305,704	2,028,421	2,803,999	3,619,284	4,401,369	5,031,030	5,455,454	5,939,910	6,441,451
Over/(Under)-Before Contingency		250	(70,269)	(145,433)	(293,530)	(411,082)	(295,249)	(147,688)	(90,762)	35,580	207,383	146,914	118,125
Projected Cumulative Available Contingency		-	-	37,858	78,628	128,038	183,513	240,963	297,250	347,073	376,819	409,243	438,291
Cumulative Use of Contingency		-	-	-	-	-	-	-	-	35,580	207,383	146,914	118,125
Projected Net Contingency Available		-	-	37,858	78,628	128,038	183,513	240,963	297,250	311,493	169,436	262,329	320,167

Appendix 4, Chart C

Contingency Schedule

(Thousands of \$)

	Actual 2008	Projected									
		2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Total	438,293	27,890	40,770	49,411	55,475	57,450	56,287	49,823	29,746	32,424	29,049
Original Projected Contingency	-	9,968	-	-	-	-	-	-	-	-	-
Contingency Pool Timing Adjustment	-	(9,968)	-	-	-	-	-	-	-	-	-
Revised Forecast	438,293	-	37,858	40,770	49,411	55,475	56,287	49,823	29,746	32,424	29,049
Cumulative Contingency Available	-	37,858	78,628	128,039	183,514	240,964	297,251	347,074	376,820	409,244	438,293
Application of Contingency	-	-	-	-	-	-	-	35,580	171,803	(60,470)	(28,789)
Cumulative Use of Contingency	-	-	-	-	-	-	-	35,580	207,383	146,914	118,125
Cumulative Net Contingency Available	-	37,858	78,628	128,039	183,514	240,964	297,251	311,494	169,437	262,330	320,168

APPENDIX 5

V. C. Summer Nuclear Station Units 2 & 3

**Quarterly Report to the South Carolina Office of Regulatory Staff
Submitted by South Carolina Electric & Gas Company
Pursuant to Public Service Commission Order No. 2009-104A**

Quarter Ending March 31, 2009

Appendix 5 shows the changes in the inflation indices approved in Order No. 2009-104A. Included is a ten year history of the Handy Whitman All Steam Index, South Atlantic Region; the Handy Whitman All Steam and Nuclear Index, South Atlantic Region; Handy Whitman All Transmission Plant Index, South Atlantic Region; and the Chained GDP Index. The change in the relevant indices from the Combined Application is also provided.

Appendix 5, Chart A

Inflation Indices, Chart A

HW All Steam Generation Plant Index, January 2009

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2009	543	4.83%	7.19%	7.19%	4.9%
2008	518	8.14%	7.50%	6.65%	4.5%
2007	479	8.62%	7.66%	5.51%	
2006	441	5.76%	5.49%	4.17%	
2005	417	8.59%	4.39%	4.08%	
2004	384	2.13%	2.17%	2.65%	
2003	376	2.45%	3.22%	2.35%	
2002	367	1.94%	2.90%		
2001	360	5.26%	2.45%		
2000	342	1.48%			
1999	337	0.60%			
1998	335				

BLRA
Filing
<u>Jul-07</u>
7.68%
5.74%

Update
Jan-09

HW All Steam Index:

One year
Five Year

4.83%
7.19%

Appendix 5, Chart B

Inflation Indices, Chart B

HW All Steam and Nuclear Generation Plant Index, January 2009

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2009	542	4.84%	7.21%	7.20%	4.9%
2008	517	7.93%	7.52%	6.66%	4.5%
2007	479	8.86%	7.75%	5.57%	
2006	440	5.77%	5.51%	4.19%	
2005	416	8.62%	4.40%	4.09%	
2004	383	2.13%	2.18%	2.66%	
2003	375	2.46%	3.23%	2.35%	
2002	366	1.95%	2.91%		
2001	359	5.28%	2.46%		
2000	341	1.49%			
1999	336	0.60%			
1998	334				

BLRA
Filing
<u>Jul-07</u>
7.69%
5.75%

Update
Jan-09

4.84%
7.20%

HW All Steam/Nuclear Index:

One year
Five Year

Appendix 5, Chart C

Inflation Indices, Chart C

HW All Transmission Plant Index, January 2009

<u>Year</u>	<u>Index</u>	<u>Yr/Yr change</u>	<u>Three year Average</u>	<u>Five Year Average</u>	<u>Ten Year Average</u>
2009	580	7.4%	8.1%	8.60%	5.5%
2008	540	7.8%	8.5%	7.71%	4.7%
2007	501	9.2%	9.3%	6.1%	3.9%
2006	459	8.5%	7.2%	4.8%	
2005	423	10.2%	4.3%	4.5%	
2004	384	2.9%	1.7%	2.3%	
2003	373	-0.3%	3.1%	1.7%	
2002	374	2.5%	3.0%		
2001	365	7.0%	2.1%		
2000	341	-0.6%			
1999	343	-0.3%			
1998	344				

BLRA	Update
Filing	Jan-09
Jul-07	
8.82%	7.41%
6.86%	8.60%

HW All Transmission Plant Index

One year
Five Year

Appendix 5

Inflation Indices, Chart D

GDP Chained Price Index, 2008

SERIES TYPE	UNIT	SHORT LABEL	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Chained Price Index--Gross Domestic Product													
U.S. Macro - 10 Year Baseline		(2000=100) Chained price index-gross domestic product , Source: BEA , Units: index- 2000=10	96.48	97.87	100.00	102.40	104.19	106.41	109.46	113.04	116.68	119.82	122.50
Annual Percent change				1.44%	2.18%	2.40%	1.75%	2.13%	2.87%	3.27%	3.22%	2.69%	2.24%
3-Year Annual Percent change							2.11%	2.09%	2.25%	2.75%	3.12%	3.06%	2.72%
5-Year Annual Percent change									2.26%	2.48%	2.64%	2.83%	2.86%
10-Year Annual Percent change													2.42%
Consumer Price Index, All-Urban													
U.S. Macro - 10 Year Baseline	Index	Consumer price index, all-urban , Source: BLS , Units: - 1982-84=1.00	1.63	1.67	1.72	1.77	1.80	1.84	1.89	1.95	2.02	2.07	2.15
Percent change				2.19%	3.37%	2.82%	1.60%	2.30%	2.67%	3.37%	3.23%	2.86%	3.69%
3-Year Annual Percent change							2.59%	2.24%	2.19%	2.78%	3.09%	3.15%	3.26%
5-Year Annual Percent change									2.55%	2.55%	2.63%	2.88%	3.16%
10-Year Annual Percent change													2.81%
Producer Price Index--Finished Goods													
U.S. Macro - 10 Year Baseline		(1982=1.0) Producer price index-finished goods , Source: BLS , Units: index- 1982=1.0	1.31	1.33	1.38	1.41	1.39	1.43	1.48	1.56	1.60	1.67	1.77
Percent change				1.82%	3.76%	1.94%	-1.30%	3.18%	3.62%	4.85%	2.95%	3.92%	6.25%
3-Year Annual Percent change							1.44%	1.26%	1.81%	3.88%	3.81%	3.91%	4.37%
5-Year Annual Percent change									2.22%	2.44%	2.64%	3.70%	4.31%
10-Year Annual Percent change													3.08%

BLRA	Update
Filing	Dec-08
Jul-07	
2.66%	2.24%
2.81%	2.86%

GDP Chained Price Index

One year

Five year